

IMPERIAL COUNTY ECONOMIC FORECAST

Imperial County is the southernmost county in the state, sharing its western border with San Diego County and its southern border with Mexico. The 2005 population was 164,000 people, and 53,500 wage and salary jobs in the county. The per capita income in Imperial County is \$21,100, and the average salary per worker is \$35,400, both measures representing the lowest levels among all Southern California counties.

Economic growth in Southern California has been strong since the start of the decade, but was even more impressive during 2005. After losing 700 jobs in 2004, job growth rebounded in 2005 as Imperial County added 2,300 wage and salary jobs for a growth rate of 4.5 percent. Non-farm job growth was even higher at 5.6 percent. The unemployment rate fell in 2005, but still remains very high at 15.5 percent. This high unemployment rate is largely due to the large farm sector, which represents 19 percent of total employment in the county. While this percentage is high, it has been declining, and as it declines so will the unemployment rate.

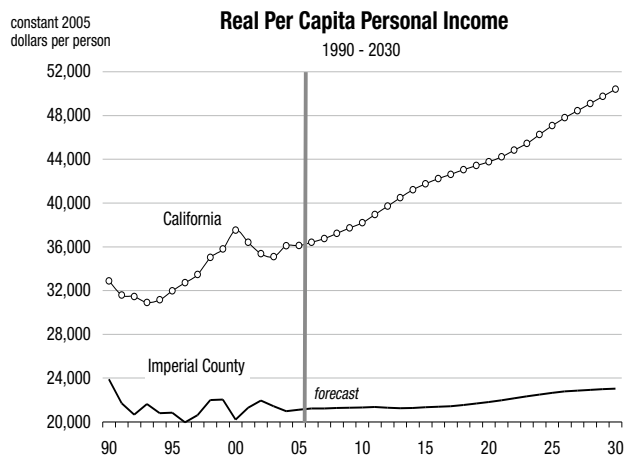
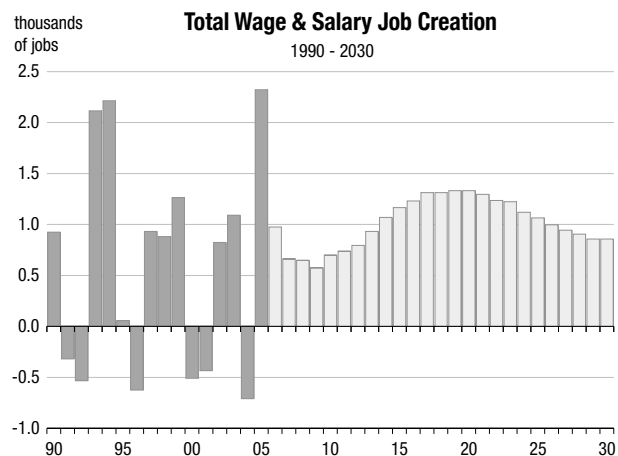
The principal labor markets in Imperial County are farming, retail trade, and government. The latter accounts for over 31 percent of total employment, and retail trade contributes another 15 percent of total jobs. Over the next five years farm employment is expected to decline, while retail trade, government and construction will be responsible for most of the job growth in the county.

The population of Imperial County is growing at a rate of 3 percent per year. From January 2005 to January 2006, the county added nearly 5,000 residents, half from net migration and half from natural increase. Fifty percent of the population gain occurred in the cities of Brawley and El Centro. The rate of population growth in Brawley is currently running at 6.1 percent.

Employment growth will moderate in Imperial County in 2006 and over the next several years, though the extent of job creation will remain healthy. The population is expected to continue to grow at a slower rate, but still above the state average.

FORECAST HIGHLIGHTS

- Non-farm job growth is expected to fall in 2006, averaging 2.4 percent. From 2006 to 2010, the average annual growth rate is 1.8 percent per year. Total wage and salary growth will be lower at 1.3 percent, due to the declining farm sector.
- The population will continue to grow in the county, but at a slightly slower pace than the 2005 rate. Annual growth in the 2006 to 2010 period averages 2.5 percent per year.
- Net migration declines slightly in 2006 to 2,162 persons. The forecast of net migration indicates an average of 1,900 people entering the county per year over the next five years.

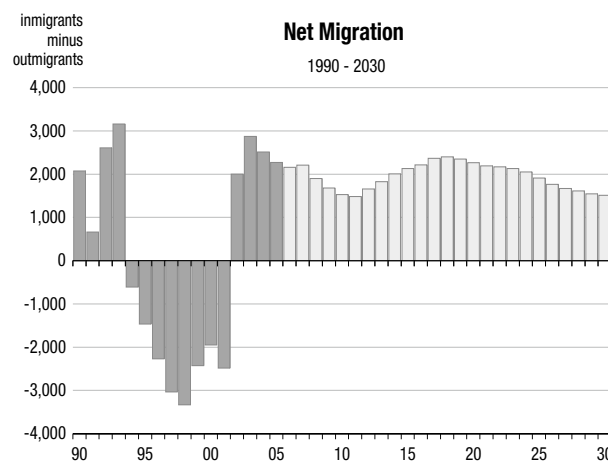
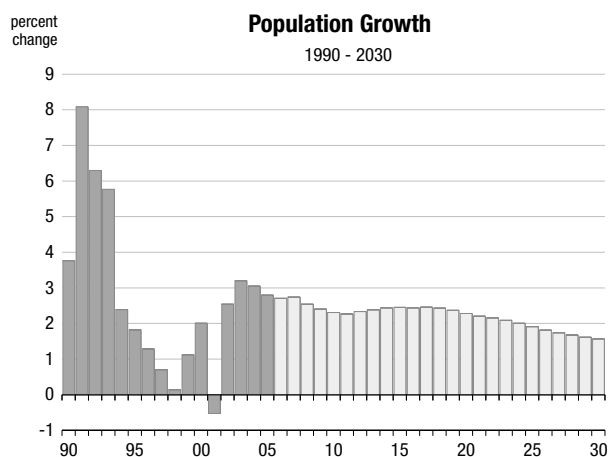


- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the forecast horizon. Real average salaries rise by an average of 1.3 percent per year over the next 5 years.
- Government, construction and trade are the growth engines of jobs in Imperial County. These three sectors are forecast to contribute 80 percent of total job creation over the next five years. Farm employment is expected to decline by an average of 1.0 percent per year.
- Real per capita incomes increase at a rate of 0.5 percent in 2006. An annual compound rate of growth of 0.2 percent is forecast from 2006 to 2010.
- Industrial production will increase by 3.7 percent in 2006. Over the next five years the growth rate of industrial production will average 4.0 percent per year.

Imperial County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	142,300	-3,034	106.7	38.2	327	\$1.05	\$2.32	\$20,612	1.7	1,308.2	0.28	26.9
1998	142,500	-3,332	108.8	38.6	394	\$1.10	\$2.52	\$21,982	1.4	1,343.5	0.30	25.9
1999	144,100	-2,425	112.1	38.9	333	\$1.29	\$2.61	\$22,029	2.3	1,266.4	0.32	23.6
2000	147,000	-1,944	115.1	39.4	677	\$1.40	\$2.52	\$20,193	3.3	1,078.8	0.34	17.4
2001	146,230	-2,483	117.4	39.7	756	\$1.38	\$2.73	\$21,282	3.4	1,146.7	0.34	16.0
2002	149,948	2,001	127.0	40.5	1,062	\$1.44	\$2.97	\$21,937	2.8	1,351.8	0.46	15.1
2003	154,751	2,876	128.9	41.3	1,211	\$1.52	\$3.07	\$21,416	2.6	1,155.5	0.51	15.7
2004	159,479	2,514	138.2	42.4	2,157	\$1.68	\$3.20	\$20,970	3.3	1,236.7	0.52	17.1
2005	163,946	2,273	144.9	43.7	2,862	\$1.85	\$3.46	\$21,120	4.2	1,218.8	0.54	15.5
2006	168,390	2,162	149.6	46.7	1,672	\$1.99	\$3.70	\$21,232	3.4	1,149.8	0.56	15.5
2007	173,007	2,214	154.7	48.3	1,748	\$2.12	\$3.90	\$21,231	2.7	1,156.5	0.59	16.4
2008	177,413	1,904	160.2	50.1	1,765	\$2.24	\$4.13	\$21,270	3.0	1,114.1	0.61	16.5
2009	181,684	1,681	165.7	51.8	1,783	\$2.36	\$4.36	\$21,293	2.9	1,126.1	0.64	16.5
2010	185,886	1,531	171.0	53.6	1,839	\$2.49	\$4.60	\$21,317	3.1	1,119.6	0.66	16.5
2011	190,106	1,485	176.0	55.4	1,914	\$2.62	\$4.85	\$21,359	3.0	1,092.3	0.70	16.5
2012	194,555	1,660	180.6	57.3	1,983	\$2.75	\$5.09	\$21,299	2.8	1,089.3	0.74	16.8
2013	199,203	1,828	185.5	59.2	2,043	\$2.89	\$5.35	\$21,248	2.9	1,090.6	0.79	17.1
2014	204,063	2,007	190.2	61.2	2,082	\$3.03	\$5.64	\$21,278	2.9	1,078.7	0.85	17.3
2015	209,073	2,132	194.9	63.3	2,115	\$3.19	\$5.98	\$21,326	3.1	1,069.3	0.91	17.5
2016	214,179	2,216	199.7	65.4	2,144	\$3.35	\$6.34	\$21,389	3.2	1,058.8	0.96	17.7
2017	219,455	2,368	203.8	67.5	2,173	\$3.52	\$6.72	\$21,436	3.2	1,024.6	1.02	18.0
2018	224,798	2,404	207.8	69.6	2,197	\$3.70	\$7.12	\$21,539	3.1	1,019.8	1.08	18.2
2019	230,126	2,354	211.0	71.8	2,215	\$3.88	\$7.57	\$21,682	3.1	1,009.2	1.15	18.4
2020	235,377	2,265	213.6	74.0	2,227	\$4.07	\$8.02	\$21,821	3.0	994.2	1.21	18.4
2021	240,582	2,196	216.3	76.2	2,232	\$4.26	\$8.50	\$21,965	3.0	964.5	1.27	18.3
2022	245,777	2,173	218.7	78.4	2,238	\$4.46	\$9.02	\$22,148	3.1	956.4	1.31	18.3
2023	250,918	2,130	220.8	80.6	2,246	\$4.67	\$9.57	\$22,340	3.0	922.0	1.34	18.3
2024	255,966	2,051	222.9	82.8	2,256	\$4.88	\$10.11	\$22,499	2.8	912.8	1.34	18.4
2025	260,872	1,913	224.9	85.0	2,271	\$5.09	\$10.68	\$22,657	2.9	888.0	1.33	18.4
2026	265,610	1,765	227.4	87.3	2,292	\$5.32	\$11.25	\$22,777	2.9	868.4	1.35	18.3
2027	270,231	1,669	230.2	89.5	2,320	\$5.55	\$11.83	\$22,853	3.0	848.6	1.37	18.3
2028	274,780	1,616	233.4	91.8	2,351	\$5.80	\$12.45	\$22,920	3.2	821.3	1.40	18.3
2029	279,224	1,549	236.7	94.2	2,373	\$6.06	\$13.09	\$22,982	3.2	813.4	1.44	18.3
2030	283,603	1,514	240.4	96.5	2,395	\$6.33	\$13.74	\$23,035	3.1	796.8	1.47	18.2



Imperial County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	48.8	13.87	1.4	1.6	1.4	7.0	1.3	2.2	0.5	2.2	2.8	14.0
1998	49.7	14.28	1.4	1.7	1.5	7.0	1.3	2.1	0.4	2.2	2.8	14.4
1999	51.0	14.35	1.7	1.6	1.5	7.4	1.3	1.8	0.4	2.3	2.9	14.8
2000	50.4	12.30	2.0	1.6	1.6	7.9	1.4	1.9	0.4	2.2	2.9	15.5
2001	50.0	11.34	1.7	1.8	1.7	7.8	1.4	1.7	0.4	2.3	2.8	16.1
2002	50.8	10.14	1.7	2.5	1.7	7.9	1.4	2.1	0.4	2.4	2.9	16.7
2003	51.9	10.78	1.6	2.5	1.9	8.2	1.4	2.2	0.4	2.5	2.7	16.9
2004	51.2	10.38	1.7	2.4	1.8	8.2	1.4	2.1	0.4	2.5	2.9	16.6
2005	53.5	10.42	1.8	2.5	1.7	9.7	1.4	2.2	0.4	2.7	3.2	16.8
2006	54.5	10.35	1.9	2.5	1.7	9.8	1.4	2.2	0.4	2.8	3.2	17.2
2007	55.2	10.17	2.0	2.6	1.8	10.0	1.4	2.3	0.4	2.8	3.2	17.6
2008	55.8	10.09	2.2	2.6	1.8	10.1	1.4	2.3	0.5	2.9	3.2	17.9
2009	56.4	9.95	2.2	2.7	1.9	10.2	1.4	2.3	0.5	2.9	3.2	18.2
2010	57.1	9.90	2.3	2.7	2.0	10.4	1.4	2.3	0.5	2.9	3.2	18.5
2011	57.8	9.85	2.4	2.8	2.1	10.5	1.4	2.3	0.5	3.0	3.2	18.9
2012	58.6	9.77	2.4	2.8	2.2	10.6	1.4	2.3	0.5	3.1	3.2	19.3
2013	59.6	9.72	2.4	2.9	2.3	10.7	1.4	2.3	0.5	3.2	3.3	19.8
2014	60.6	9.69	2.4	3.0	2.4	10.8	1.4	2.3	0.6	3.3	3.3	20.4
2015	61.8	9.65	2.4	3.1	2.5	10.9	1.4	2.3	0.6	3.4	3.3	21.1
2016	63.0	9.61	2.5	3.1	2.6	11.0	1.4	2.3	0.6	3.5	3.3	21.9
2017	64.3	9.57	2.5	3.2	2.8	11.1	1.4	2.3	0.6	3.7	3.3	22.7
2018	65.7	9.48	2.5	3.3	2.9	11.2	1.4	2.4	0.6	3.8	3.3	23.6
2019	67.0	9.42	2.5	3.4	3.0	11.3	1.4	2.4	0.6	4.0	3.3	24.4
2020	68.3	9.36	2.5	3.5	3.2	11.4	1.4	2.4	0.7	4.1	3.3	25.2
2021	69.6	9.30	2.5	3.5	3.3	11.5	1.4	2.4	0.7	4.3	3.3	26.0
2022	70.9	9.21	2.5	3.6	3.5	11.6	1.4	2.4	0.7	4.5	3.3	26.8
2023	72.1	9.14	2.5	3.6	3.6	11.7	1.4	2.3	0.7	4.6	3.3	27.5
2024	73.2	9.03	2.5	3.6	3.8	11.8	1.4	2.3	0.7	4.8	3.3	28.2
2025	74.3	8.95	2.5	3.6	4.0	11.9	1.4	2.3	0.8	5.0	3.4	28.9
2026	75.3	8.86	2.5	3.6	4.1	12.0	1.4	2.3	0.8	5.1	3.4	29.5
2027	76.2	8.77	2.6	3.6	4.3	12.1	1.4	2.3	0.8	5.3	3.4	30.0
2028	77.1	8.67	2.6	3.7	4.4	12.2	1.4	2.3	0.8	5.4	3.4	30.6
2029	78.0	8.57	2.6	3.7	4.6	12.3	1.4	2.3	0.8	5.6	3.4	31.1
2030	78.8	8.49	2.6	3.7	4.7	12.3	1.4	2.3	0.8	5.7	3.4	31.5

